CITY HALL COUNCIL CHAMBERS
SANTA MARIA, CALIFORNIA
REGULAR MEETING

JULY 3, 2007

INVOCATION:
William Greenelsh, Associate Pastor for First United Methodist Church, gave the invocation.

PLEDGE OF ALLEGIANCE TO THE FLAG:
Councilmember Orach led the pledge of allegiance.

CALL TO ORDER:
Mayor Lavagnino called the Regular Meeting of the City Council to order at 6:30 p.m.

ROLL CALL:
MEMBERS PRESENT
Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino

MEMBERS ABSENT
Councilmember Zacarias

STAFF MEMBERS PRESENT
City Manager Ness, City Attorney Trujillo, Assistant City Manager Haydon, Director of Administrative Services Snodgrass, Fire Chief Ortiz, Director of Public Works/City Engineer Whitehead, Director of Recreation and Parks Posada, Police Chief Macagni, Director of Community Development Lindsey, Utilities Engineer Hagemann, and Chief Deputy City Clerk Perez.

ACKNOWLEDGEMENTS
Mayor Lavagnino acknowledged Tim Williams and his mother, Margaret, who were present in the audience. They faithfully watch the City Council meetings on television.

Mayor Lavagnino also acknowledged Mr. Bill DeBoer who was dressed as Uncle Sam and sang a song written by his son 20 years ago entitled "Santa Maria - My Dream Come True."

RECREATION AND PARKS MONTH
Mayor Lavagnino read a proclamation declaring the month of July as "Recreation and Parks Month" in the City of Santa Maria and encouraging all citizens to enjoy and recognize the social, physical, mental, economic, environmental, and community benefits derived from taking part in the myriad of activities offered through recreation and leisure programs and services, which provide something of value to everyone. The proclamation was accepted by Director of Recreation and Parks Posada.

PUBLIC COMMENT
Bob Ziener spoke regarding his concept to place a full-sized replica of the ship *Santa Maria* in the revitalized downtown area.

Joan Leon requested Item 3H be pulled from the Consent Agenda for discussion, that the public hearing for the water and sewer rate increase be moved forward on the agenda, and that the minutes from June 19th be amended to include her verbatim statement regarding the Economic Development Commission's article.

Joann Marmolejo requested Item 3H(a) be pulled from the Consent Agenda and that Council allocate only the first payment to the Chamber of Commerce, holding off on the second payment in case the money was needed for the Santa Maria River Levee study.

Toru Miyoshi requested the water and sewer rate public hearing be moved forward on the agenda.

Dena Soares complimented the Recreation and Parks on maintaining all the facilities in the community and addressed issues with the Rosiland Perlman Park and the Preisker Park Restrooms.

CONSENT CALENDAR
Mayor Lavagnino stated he would honor the request of the speakers to have Item 3H pulled for discussion, approving annual operating agreements for the Santa Maria Valley Chamber of Commerce, Santa Maria Valley Historical Society, and the Santa Maria Museum of Flight.

There were no requests to speak on this item.

Councilmember Trujillo announced that he would be abstaining from Items 3B and 3I since he was absent from the last meeting.

Consent Calendar Items A through J were approved on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: Councilmember Trujillo (Items 3B and 3I only)

A. ORDINANCES
The reading in full of all ordinances and resolutions was waived. Ordinances on the Consent Calendar were adopted by the same vote cast at the first reading unless City Council indicated otherwise.

B. MINUTES
The Minutes of the Regular City Council Meeting of June 19, 2007, were approved as submitted.

C. PERSONNEL CHANGES
Resolution No. 2007-85 was adopted approving certain personnel changes resulting from the approval of the 2007-08 budget, and Resolution No. 2007-86 was adopted amending the City's Conflict of Interest Code to reflect those changes.

Resolution No. 2007-85 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING NEW CLASSIFICATIONS, MODIFICATIONS TO SPECIFICATIONS, RECLASSIFICATIONS, ADJUSTMENTS TO SALARY RANGES, AND ABOLISHING CLASSIFICATIONS.

Resolution No. 2007-86 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AMENDING APPENDIX "A" OF THE CONFLICT OF INTEREST CODE FOR DESIGNATED FILERS OF THE CITY OF SANTA MARIA.

D. MENTAL HEALTH ASSESSMENT TEAM (MHAT) AGREEMENT
Resolution No. 2007-87 was adopted authorizing the execution of an agreement with the County of Santa Barbara to provide Mental Health Assessment Team (MHAT) services for the period 2006-07 through 2008-09.

Resolution No. 2007-87 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING AN AGREEMENT WITH THE COUNTY OF SANTA BARBARA FOR MENTAL HEALTH ASSESSMENT TEAM (MHAT) SERVICES FOR 2006-07 THROUGH 2008-09.

E. COLLECTION OF SPECIAL ASSESSMENTS
Resolution No. 2007- 88 was adopted approving an agreement with the County of Santa Barbara for collection of special assessments as part of the property tax bills for the

City's annual Weed Abatement Program and four Landscape Maintenance Districts and Special Benefit Zones.

Resolution No. 2007-88 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, AUTHORIZING THE EXECUTION OF A CONTRACT WITH THE COUNTY OF SANTA BARBARA FOR COLLECTION OF SPECIAL ASSESSMENTS AND AUTHORIZING THE CITY MANAGER TO EXECUTE THE CONTRACT.

F. WARRANTS

Warrant Nos. 135174 to 135553 in the amount of $3,204,744.15 were ordered ratified subject to having been certified as being in conformity with the budget and having been approved for payment by the Director of Administrative Services. Warrant Nos. 127862, 130366, 135179, 135301, and 135330, were canceled.

G. PAYROLL

Payment of payroll was ordered ratified subject to having been certified by the proper Department Heads, as shown on records on file in the Department of Administrative Services and having been approved for payment by the Director of Administrative Services.

H. ANNUAL OPERATING AGREEMENTS

Resolution Nos. 2007-89, 2007-90, and 2007-91 were adopted approving annual operating agreements with the Santa Maria Valley Chamber of Commerce, Santa Maria Valley Historical Society, and Santa Maria Museum of Flight for the period of July 1, 2007, through June 30, 2008.

Resolution No. 2007-89 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN ANNUAL OPERATING AGREEMENT FOR FISCAL YEAR 2007-08 WITH THE SANTA MARIA VALLEY CHAMBER OF COMMERCE.

Resolution No. 2007-90 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN ANNUAL OPERATING AGREEMENT FOR FISCAL YEAR 2007-08 WITH THE SANTA MARIA VALLEY HISTORICAL SOCIETY.

Resolution No. 2007-91 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN ANNUAL OPERATING AGREEMENT FOR FISCAL YEAR 2007-08 WITH THE SANTA MARIA MUSEUM OF FLIGHT.

I. ORDINANCE NO. 2007-12

Council conducted the second reading by title only and adopted Ordinance No. 2007-12 amending the Development Agreement with Regency Realty Group, Inc., for the Santa Maria Commons (Regency Centers/Kohl's) Project at the southwest corner of Broadway and McCoy Lane. The amendment is to increase the reimbursement amount to include additional work required by Caltrans in the amount of $19,556.35 for a total amount reimbursable to the Developer of $579,270.99.

Ordinance No. 2007-12 adopted. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING AN AMENDMENT TO THE DEVELOPMENT AGREEMENT FOR REGENCY REALTY GROUP, INC., LOCATED AT THE SOUTHWEST CORNER OF BROADWAY AND MCCOY ROAD.

J. AWARD OF BID

Resolution No. 2007-92 was adopted awarding the bid to and approving an agreement with California Coastal Development for Bid No. 2007/06, River Oaks Park (now James "Jim" May Park) Observation Deck in the amount of $146,093.34.

Resolution No. 2007-92 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING A CONTRACT WITH

CALIFORNIA COASTAL DEVELOPMENT FOR RIVER OAKS PARK (JAMES "JIM" MAY PARK) OBSERVATION DECK, BID NO. 2007/06.

SANTA MARIA RIVER LEVEE UPDATE

Director of Public Works/City Engineer Whitehead introduced Tom Fayram from the Santa Barbara County Flood Control and Water Conservation District Deputy Public Works Director.

Tom Fayram gave a brief update on the status of the Santa Maria River Levee. The City and Santa Barbara County have jointly engaged the services of a legislative advocacy firm, Marlowe and Company, LLC, to assist in the acquisition of Federal Funds to facilitate the preparation of an engineering study by the Army Corps of Engineers. The purpose of the engineering study is to assess the condition of the levee and to recommend solutions. In May 2006 and March 2007, the City and County sent a delegation to Washington, D.C. to meet with elected representatives to encourage inclusion of a $500,000 expenditure for the Corps study within the Federal budget. There was $300,000 included initially, but then it was lost. Currently, in the Senate Energy and Water Appropriations Bill, there is again $300,000 earmarked for the Santa Maria River Levee.

The Santa Barbara County Flood Control District has engaged HDR Engineering to provide a set of alternatives for the Army Corps to evaluate. HDR Engineering has considerable experience working with the Army Corps. Two of the most promising and cost-effective alternatives are construction of a sheet pile wall at a cost of approximately $14.5 million per mile and construction of soil cement armor at the face of the levee to some depth below the riverbed at a cost of approximately $3.4 million per mile. It is hoped that providing the Army Corps with a set of alternatives will help the Army Corps complete its study in the shortest possible time. The Santa Barbara County Flood Control District has also recently performed a significant amount of work to enhance the level of flood protection. In an attempt to keep lower level flows away from the face of the levee, a pilot channel has been constructed. Additional rock has been placed and pipe and wire groins constructed in areas adjacent to homes where the river has recently altered its course to now strike the levee. Also, the Flood Control District and City have purchased rock that is stored in strategic areas that can be utilized to backfill a breach if one should occur.

Recently FEMA presented the City and County with draft conceptual Federal Insurance Rate Maps (FIRMs), the maps issued by FEMA that identify flood zone areas. These maps were identified as working maps. A meeting with FEMA representatives in mid-June indicated that public presentation of the draft FIRMs would occur in a series of workshops. The City and County are working together to identify the best method to obtain the maximum amount of public input. Public notification will likely be through individual mailings and newspaper display ads. It is proposed that workshops be held in the evening, afternoon, and on a Saturday. FEMA has indicated that their procedure for processing the FIRMs would result in the maps being finalized probably in September 2008.

Mayor Lavagnino thanked Mr. Fayram for the update and for being so diligent in trying to acquire funding. He said if the federal government didn't fix the levee, the people of Santa Maria would have to fix it, and he wanted to look at every possibility to protect the people of Santa Maria from possible flooding.

Councilmember Patino asked if summer 2008 would be the drop dead date for people to purchase flood insurance at the lower cost.

Mr. Fayram stated he thought that would be a logical date to purchase the flood insurance. He said he didn't have all of the answers regarding the flood insurance and that was the reason there would be public workshops with FEMA representatives to answer all those questions.

Councilmember Patino asked if San Luis Obispo County would be a partner in the levee fix.

Mr. Fayram responded that San Luis Obispo County would be affected by the new map; however, there would only be a small number of people in San Luis Obispo County who would be affected.

Councilmember Patino asked if the City and the Flood Control District found a way to fix the levee before the map was changed, could the map be reversed.

Mr. Fayram responded there was a process to do that. The plans for the fix would need to be approved by FEMA, the fix constructed, and then the fix certified as being built pursuant to the approved plans. After that the flood map would be modified.

Councilmember Trujillo thanked Mr. Fayram for his presentation and for getting the information out to the public that things are being done.

Councilmember Orach asked if there would be maps that showed more detail so people could see if their house was going to be in the flood plain.

Mr. Fayram explained that those detailed FEMA maps were not available at this time.

Councilmember Orach stated most of the Santa Maria River was in San Luis Obispo County. He asked if they were participating in the efforts to acquire funding to do the study and fix the levee.

Mr. Fayram stated he had not been in contact with representatives from San Luis Obispo County. Some of the flood plain and some of the levee was in San Luis Obispo County, but the area most benefited by the levee was Santa Barbara County. The River was in both counties; however, the levee was owned by the Santa Barbara County Flood Control District as were easements throughout the whole river.

Councilmember Orach asked how many miles of the levee would need to be fixed.

Mr. Fayram responded it would probably be between three and six miles, but there was a lot of technical review of the maps that still needed to be done.

Toru Miyoshi asked if the study would be based on a 100-year storm.

Mr. Fayram replied that it was based on a 100-year flow.

Mr. Miyoshi stated assuming six miles of levee would need to be fixed at $14.5 million per mile, that would be a cost of about $100 million. He asked what the offset in costs would be if the residents of Santa Maria paid for the fix with the condition that they would be relieved of paying for flood insurance.

Mayor Lavagnino replied that he thought the cost per parcel for fixing the levee would be considerably less than the cost per parcel for flood insurance in perpetuity.

The Council, once again, thanked Mr. Fayram for his presentation. No action was taken by the Council.

Mayor Lavagnino agreed to move Item 8, the public hearing for the water and sewer rate increase, forward on the agenda as requested. However, while staff was preparing the presentation, Mayor Lavagnino continued with other public hearing items.

TAX EQUITY AND FISCAL RESPONSIBILITY ACT (TEFRA) OF 1982 HEARING – ISSUANCE OF MULTI-FAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY.

Director of Administrative Services Snodgrass gave the staff report. The proposal is for a financing plan by the California Statewide Communities Development Authority for the issuance of multifamily housing revenue bonds not to exceed $26,000,000 to finance the acquisition and rehabilitation of a 236-unit multifamily rental housing project, located

at 1720 South Depot Street, known as the Vizcaya Apartments (the "Project"). The Project needs new roofs, gutters, siding, and windows. Sidewalks and irrigation are in need of repair. The interior of the units require the replacement of appliances. To finance the $24 million cost of acquisition and $2 million cost of rehabilitation, a limited partnership, of which Vaughn Bay Construction will be a controlling partner, has requested that the California Statewide Communities Development Authority adopt a plan of financing providing issuance of bonds. The bonds would be tax-exempt private activity bonds for the purposes of the Internal Revenue Code and, as such, require the approval of the elected body of the governmental entity having jurisdiction over the area where the Project to be financed is located. The City would not be under any obligation to repay the Bond.

Mayor Lavagnino opened the public hearing. Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Orach stated these were previously the Meridian Apartments, and the Police Department had some serious calls for service at that apartment complex. He asked if there was any protection for the City that whoever took over the apartments would make it a livable place.

James Hamil, California Statewide Communities Development Authority, stated one of the requirements for the issuance of the bonds was to have a regulatory agreement on the property. That agreement required that the Authority monitor and do site visits on the property. The City would also be a third party beneficiary to that agreement. After the site visits, they would report back to the City on their findings. If there were problems with the project, the City could contact them as well. They would, in turn, contact the developer and get the problem fixed.

Councilmember Orach asked what the median income of Santa Barbara County was.

Director of Administrative Services Snodgrass replied that the median income was $67,100 for a family of four. Sixty percent of that would be $40,126 and fifty percent would be $33,550.

Councilmember Patino asked the Chief of Police to provide a follow-up report on the apartments after the sale and renovation had been completed.

Resolution No. 2007-93 was adopted approving the issuance of multi-family housing revenue bonds on motion by Councilmember Orach, seconded by Councilmember Trujillo, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: None

Resolution No. 2007-93 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING ISSUANCE OF MULTI-FAMILY HOUSING REVENUE BONDS BY THE CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY.

SUSPENSION OF ANNUAL RATE INCREASES FOR LANDFILL CHARGES AND SOLID WASTE COLLECTION.

Director of Administrative Services Snodgrass gave the staff report. The City Council is being asked to approve the suspension of the five percent annual rate increase effective July 2007 for landfill charges, and the suspension of the five percent annual rate increase effective January 2008 for solid waste collection for fiscal year 2007-08. In June 1978, Resolution No. 78-4641 was adopted providing for an annual five percent rate increase for solid waste collection. In June 1987, Resolution No. 87-81 was adopted providing for annual five percent rate increases for landfill charges. However, If approved, this would be the seventh time in the last eight years that the City has suspended landfill and solid waste collection rate increases. The current landfill charge

for a typical resident in a pick-up truck hauling material to the landfill is a flat fee of $17.50. If the rate increases had not been suspended for the last seven of eight years, the current minimum flat rate would be $24.63. The current rate for solid waste collection for a typical 90-gallon refuse container is $24.36 a month. If the rates had not been suspended, the current monthly rate would be $34.28. Staff is currently undertaking a rate study to re-examine the true cost of services for landfill disposal and solid waste collection. While staff continues efforts to reduce operational costs, address landfill and solid waste collection requirements, and reduce the fees paid by the customers, landfill and solid waste collection regulations and the cost to implement new programs continue to rise.

Mayor Lavagnino opened the public hearing. Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Orach stated the costs to jump through all the regulatory hoops like the lining of the landfill, the cover of the landfill, the monitoring of the landfill to ensure it is not encroaching into the groundwater, and trying to provide for the future regional landfill site was astronomical. He commended the Utilities staff for being able to keep costs down.

Resolution No. 2007-94 was adopted approving the suspension of the annual rate increase for landfill and solid waste collection on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: None

Resolution No. 2007-94 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, APPROVING THE SUSPENSION OF THE ANNUAL RATE INCREASES FOR CHARGES AT THE LANDFILL AND SOLID WASTE COLLECTION.

WATER AND SEWER RATE INCREASE.
Utilities Engineer Hagemann gave the staff report. The combined Water/Wastewater Resources Funds have endured budget pressures due to the 1993 and 1997 bonds for water and wastewater, capital improvements, ongoing State Water costs, and increases in operating the water and wastewater systems. Continuing the implementation of annual five percent increases enacted by City Council in 1977 and 1983 is critical to sustaining the water and wastewater operations over the long-term. For the last 24 years or more, the City has implemented annual water rate increases of five percent or greater to repay bonds for State Water and to operate the water system, and sewer rate increases to ensure compliance with Clean Water Grant regulations, discharge requirements set by the Regional Water Quality Control Board, and to provide for equitable distribution for the cost of the wastewater system.

California voters passed Proposition 218 in November 1996. Proposition 218 established procedures for increasing property-related fees. Since its inception, attorneys claimed that water rates were consumption driven, not property-related; and, therefore, did not have to conform to Proposition 218. In July 2006, the California Supreme Court issued its decision in "Bighorn-Desert View Water Agency v. Vergil" (Bighorn) which ruled that water rates were property-related fees and subject to the provisions of Proposition 218. Wastewater rates and solid waste rates were also deemed property-related fees and subject to the provisions of Proposition 218. Since the decision was handed down, a substantial amount of interpretation, re-interpretation, and questions have been raised and debated regarding the implementation of the Court's decision. In accordance with Proposition 218, a written notice of the proposed rate increases and the public hearing was provided on May 15, 2007, to all utility customers, in both English and Spanish. A public hearing must be held. If a majority of the ratepayers file a written protest at or prior to the public hearing, then the rate increase cannot occur. This would entail the receipt of approximately 11,000 written

protests representing half of the service connections within the City. To date only two written protests have been received.

The proposed increases for water and sewer rates will not exceed the funds necessary to provide City water and sewer services. The rate increases are necessary to pay for the increased costs of State Water delivery and to complete planned short- and long-term capital/major maintenance projects in the water system, and to complete necessary improvements and maintenance for the wastewater system. If the proposed five percent increases are approved, the typical residential customer consuming an average of 15 units of water each month will see an increase of $2.99 per month for water and an additional $.53 per month for sewer for a total increase of $3.52 per month.

Chief Deputy City Clerk Perez announced that two letters of protest had been received from Robert and Kathleen Weider, 1712 E. Horseman Court, and James Murr, 2429 Skylinks Court.

Mayor Lavagnino opened the public hearing.

Deborah Brasket, SBCAN and SMCC, expressed concern that the notice which was sent to the ratepayers did not inform the ratepayers that they could file a written protest and about increasing the fees to ratepayers when $1 million had been diverted from the Water Fund to a Revolving Loan Fund.

City Attorney Trujillo stated the City did comply with the notice requirements of Proposition 218 as recently interpreted by the California Supreme Court.

Vibiana Saavedra, SMCC, stated the Coalition was opposed to the increases and had concerns about the public hearing not being held in advance of any increase, diversion of $1 million from the Water Fund, and that the notice mailed to the ratepayers did not notify them how to object to the increase.

Toru Miyoshi stated initially he was not opposed to the increases in the water and sewer rates; but when he heard about the diversion of $1 million from the Water Fund to an unrelated use, he felt this was an improper allocation that should have been applied to whatever overhead the water and sewer funds had. He said the Council had a responsibility to facilitate a means for the ratepayers to voice their support or opposition to increases to the rates. He suggested the City include a ballot in the water bills prior to the rate increases taking effect.

Pedro Paez Navarro stated sometimes he saw water spilling in the street and asked who paid for that water, the City or the community. People were not watering their lawns because they couldn't afford the water. The people needed the opportunity to come and express their opinion or vote on this.

Hearing no further requests to speak, Mayor Lavagnino closed the public hearing.

Councilmember Patino stated she didn't think anyone wanted a rate increase, but she was supportive of the quality of water in the City. She did not have to have a water softener or special soaps to make everything clean. The City was not charging any more than it needed to supply the services.

Councilmember Trujillo asked how many water accounts there were in the City.

City Manager Ness explained there were approximately 22,000.

Councilmember Trujillo stated in order to get sufficient written protests to stop the rate increase, 11,000 protests would have to be received. He said he was Chairman of the Board for the Central Coast Water Authority; and compared to the increases being charged by other cities in the Authority, this was a very modest increase.

Councilmember Orach stated the water rates probably would not be as high as they are if all the agencies that had initially agreed to State Water had gone forward with State Water when the project was constructed. He talked about how much money he had saved because of the high quality of water the City had. People did not water their lawns because of a lack of responsibility of the homeowners, not because of the rate increase.

Resolution No. 2007-95 was adopted approving a five percent rate increase for water service and a five percent rate increase for sewer service on motion by Councilmember Orach, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: None

Resolution No. 2007-95 adopted. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, CALIFORNIA, RELATING TO INCREASING WATER AND SEWER RATES BY FIVE PERCENT.

Ordinance No. 2007-14 approving a five percent rate increase for water service and a five percent rate increase for sewer service was introduced by title only for first reading and continued to the next meeting for second reading and adoption on motion by Councilmember Patino, seconded by Councilmember Patino, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: None

Ordinance No. 2007-14 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA, RELATING TO INCREASING WATER AND SEWER RATES BY FIVE PERCENT.

City Manager Ness clarified the comments on the diversion of water fund monies. There was no diversion of funds. The City Council made the decision over a year ago to establish a Revolving Loan Fund for Economic Development which was an investment in creating jobs within the City. The money for that Revolving Loan Fund was taken from the sale of surplus water and was never placed into the Water Fund. That money was deposited into the General Fund the same way the NHIS monies were. Those two sources of funds were what enabled the City Council to create 26 new public safety positions. The $1 million that was franchised for Economic Development was not being spent down, it is a loan fund that would be paid back, with interest. For the last 24 consecutive years, the City experienced five percent water and sewer increases. This was the first time the City needed to go through the Proposition 218 process. Since this was the first time, the City looked to other cities to see how they were doing it. In the coming years, the City would start the process several months in advance, send the notices of rate increases out in the water bills, and identify what the protest procedures are. The five percent increase covered the maintenance and operations that the Utilities Department incurred. The real costs come during upgrades. The City would be doing a significant wastewater treatment upgrade with essentially the lowest sewer rates on the Central Coast.

DAYTIME JUVENILE ANTI-LOITERING ORDINANCE.
Police Chief Macagni gave the staff report. At the June 5, 2007, City Council meeting, staff presented an update on the status of the Daytime Juvenile Anti-Loitering Ordinance. Reports were submitted from the Police Department, Santa Maria Bonita School District and Santa Maria Joint Union High School District. Testimony was also received from the District Attorney's Office in support of continuing the ordinance and from several members of the public opposed to the ordinance. Following the discussion, Council directed staff to prepare an ordinance re-enacting the Daytime

Juvenile Anti-Loitering Ordinance adopted last year (Chapter 6-3A of Title 6 of the Santa Maria Municipal Code) and to delete the language providing that the ordinance would become inoperative one year after its effective date.

Councilmember Patino stated there were comments made about this being a duplication of effort, but it was not. The Police Department could not enforce the Education Code, and the schools did not have the ability to enforce the laws in the City. It was a way to keep kids in school so they were safe, not getting in trouble and not being victimized. The schools, the District Attorney's Office, and the City were all working together to support kids.

Mayor Lavagnino opened the public hearing. Hearing no requests to speak, Mayor Lavagnino closed the public hearing.

Ordinance No. 2007-13 re-enacting the Daytime Juvenile Anti-Loitering Ordinance was introduced by title only for first reading and continued to the next meeting for second reading and adoption on motion by Councilmember Patino, seconded by Councilmember Trujillo, and carried on the following vote:

AYES: Councilmembers Orach, Patino, Trujillo, and Mayor Lavagnino
NOES: None
ABSENT: Councilmember Zacarías
ABSTAIN: None

Ordinance No. 2007-13 introduced. AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SANTA MARIA RELATING TO DAYTIME LOITERING OF JUVENILES, RE-ENACTING CHAPTER 6-3A OF THE SANTA MARIA MUNICIPAL CODE.

CITY MANAGER'S REPORT

City Manager Ness reported on items for the July 17, 2007, City Council meeting including public hearings for the annual assessments of the City's four Landscape Maintenance Districts, annual Weed Abatement Charges, and the reallocation of CDBG Program Income and Economic Development Fund reserves. Additionally, the Council will make appointments to the Library Board of Trustees and the Block Grants Advisory Committee and consider property tax exchange agreements for the Wastewater Treatment Plant Annexation and the Quail Run Annexation.

City Manager Ness asked Director of Public Works/City Engineer Whitehead to give a status report on the red light enforcement program and clarify some statements that had been in the newspaper.

Director of Public Works/City Engineer Whitehead stated the red light camera enforcement program had been in full force at Betteravia Road and Miller Street since June 21st. The system was working as advertised. Pictures were being generated of the license plates, of the driver's face, and of the vehicle behind the line when the red light was displayed on the traffic signal, and then another picture that showed the vehicle out in the intersection with the red light. The program was not a revenue generator for the City; it was revenue neutral. There was one letter to the editor that indicated that the program would not be effective if the driver did not have a license plate on the front of the vehicle. That was not correct as the cameras photographed both the front and back license plates. Another letter to the editor indicated that the program would be better if it were a "collision avoidance system." Nestor Systems did have an add-on program called collision avoidance which sensed when a vehicle entered the intersection violating the law, and then it controlled the traffic signal to set all opposing lights on red so no other vehicle would enter the intersection. Staff was researching that system. The goal of the red light enforcement system for the City was to get people to stop running red lights and obey the law.

ORAL REPORTS BY COUNCILMEMBERS

Mayor Lavagnino wished Councilmember Patino a Happy Birthday.

Councilmember Patino reported on attending drug court with Judge Flores. She invited the Council to attend the drug court graduation on July 10th at the Elks Club at 11:00 a.m.

Councilmember Trujillo reported on a presentation he gave to the Association of Retired Government Employees on the topic of water.

Councilmember Orach wished everyone a Happy 4th of July and encouraged everyone to be safe when using fireworks.

CLOSED SESSION
Council recessed to Closed Session at 8:35 p.m. for Conference with Labor Negotiator pursuant to Section 54957.6 of the Government Code; Agency representative: Assistant City Manager; Employee organization: Santa Maria Police Officers Association (SMPOA).

After the Closed Session, the following was announced:

Conference with Labor Negotiator: SMPOA – Direction to staff was provided.

ADJOURNMENT
There being no further business to come before the City Council at this time, Mayor Lavagnino declared the meeting adjourned at 9:15 p.m.

APPROVED

July 17, 2007
Date

Chief Deputy City Clerk of the City of Santa Maria and ex officio Clerk of the City Council

ATTEST

Chief Deputy City Clerk

Mayor of the City of Santa Maria